



Management Discussion and Analysis

MISSION AND STRATEGIC PLANNING

Mission and Strategic Planning

Our Mission

"The Department of Commerce promotes job creation and improved living standards for all Americans through economic growth, technological competitiveness, and sustainable development."

MISSION STATEMENT

The Department of Commerce promotes job creation and improved living standards for all Americans through economic growth, technological competitiveness, and sustainable development. The responsibilities of the

Department of Commerce are broadly to foster U.S. business and industry, to stimulate international trade, to measure and analyze social development and economic activity, and to advance our nation's scientific and technological capabilities.

Central to our fulfillment of these responsibilities are the services we deliver to the business community. As we advance into the 21st century, our ability to support information-based business development will be critical to our ability to support overall economic growth.

We provide the basic economic research data necessary for sound business decisions and we promote the use of science and technology in the production of consumer goods and services. We develop international trade opportunities through our offices in the United States and in more than 86 countries worldwide. We administer the legislation that helps U.S. industry and labor counter unfair trade practices.

Our oceanic and atmospheric programs promote our understanding and rational use of the natural environment to further our nation's safety, welfare, security, and commerce. Our responsibilities include predicting the weather, charting the seas, protecting ocean resources, and collecting data on the oceans, space, and the sun.

At home, our programs promote long-term enterprises that create jobs for minority groups and in underdeveloped areas across the United States. We support these programs with reports, publications, projections, and business expertise.

The Department of Commerce touches the lives of Americans every day. We make possible the weather reports that are heard every morning; we facilitate use of the technology that is familiar in the workplace and in the home; we gather the data that are used by the public and private sectors

to assist important policy and business decisions; and we support the environmental and economic health of American communities.

We provide leadership in civilian technology, trade promotion, economic development, sustainable development, and economic analysis. Our programs serve the country's businesses, our communities, and our families.

VISION

For almost nine decades the Department of Commerce has been in partnership with U.S. business to maintain a prosperous, productive America, committed to consumer safety, protective of natural resources, and militarily strong. Together, we have a record of innovation in manufacturing, transportation, communications, measurement, and materials that has helped to sustain U.S. leadership in the international marketplace.

To maintain that leadership, we must continue to innovate. In bureaus throughout the Department, development programs will see us probe deeper into the ocean and higher into the sky, and will see us bring world markets closer together in the years ahead.

A product of the industrial revolution that propelled the United States into the 20th century, the Department of Commerce is now at the forefront of the revolution in electronic commerce. By assisting the private sector, our goal is to ensure that the United States continues to lead the world in this new marketplace.

STRATEGIC PLANNING PROCESS

The Department undertakes its strategic planning and goal setting within the framework prepared by the Government Performance and Results Act (GPRA). With the publication of our first Annual Program Performance Report in March 2000 we will complete the first full cycle of GPRA-mandated activities, comprising the Strategic Plan, the Annual Performance Plan, and the Annual Program Performance Report. We will subsequently review the events of this cycle to assess how well the process and documents mesh as intended by the GPRA, and based on this review, we will submit a revised Strategic Plan to Congress in September 2000. The new plan will focus on three Strategic Goals:

1. Expand Economic Growth, Trade, and Prosperity
2. Stimulate Innovation for American Competitiveness
3. Advance Sustainable Economic Development

The first full expression of these new strategic goals will occur in the Department's Annual Performance Plan for FY 2002 that will be published in February 2001. The new Strategic Goals conform to those defined by the Departmental mission. The following sections summarize each goal in the context of the broader Departmental plan and include a discussion of the bureaus that provide programs supporting the goal.

STRATEGIC GOALS AND BUREAU ACTIVITIES SUPPORTING OUR MISSION

Our mission and supporting Strategic Goals are accomplished by our major bureaus. The bureaus have a broad range of responsibilities and functions. They are described briefly in the following sections, along with the Strategic Goals they support:

STRATEGIC GOAL 1: EXPAND ECONOMIC GROWTH, TRADE, AND PROSPERITY

The traditional Departmental goal of promoting domestic and foreign commerce is complicated at the beginning of this 21st century by the remarkable and rapidly changing dynamics of the global marketplace. The U.S. economy is in the midst of the longest period of growth in the nation's history, surpassing in February 2000 the previous record. The challenge of sustaining this economic expansion must be balanced with the need to increase the prosperity of all Americans, regardless of their geographic location or ethnic origin. Departmental bureaus involved in supporting this Strategic Goal include the following:

BUREAU OF EXPORT ADMINISTRATION

The Bureau of Export Administration (BXA) is charged with conducting export licensing, enforcement, and defense industry conversion. It must achieve this in a manner that results in clear policies and timely decisions for the domestic and international business communities. The bureau must

Our Strategic Goals:

- 1. Expand Economic Growth, Trade, and Prosperity*
- 2. Stimulate Innovation for American Competitiveness*
- 3. Advance Sustainable Economic Development*

perform the complex dual function of facilitating trade in an increasingly competitive global economy while restricting the export of goods that could threaten our national or economic security or our public safety. The BXA must be particularly vigilant when evaluating transactions involving advanced technologies or products subject to diversion to chemical, biological, nuclear, or missile weapons programs.

ECONOMIC DEVELOPMENT ADMINISTRATION

The Economic Development Administration’s (EDA’s) goals are to create jobs and support private enterprise in distressed communities and to develop the ability locally to achieve and sustain economic growth. The administration achieves this by encouraging long-term partnerships between state and local organizations to promote and assist strategic planning and investment activities. Established by the Public Works Act of 1965, the EDA operates a broad range of flexible programs for public infrastructure, planning, technical assistance, and research that enable the Department to address the specific needs of each disenfranchised area. The EDA works through a national network of 320 economic development districts, 64 Indian tribes, 69 university centers, and 12 trade adjustment assistance centers.

ECONOMICS AND STATISTICS ADMINISTRATION

The Economics and Statistics Administration (ESA) monitors and measures socioeconomic trends to assist decision-making by national, state, and local governments and institutions. The ESA oversees the Bureau of the Census (Census) and the Bureau of Economic Analysis (BEA), and also maintains the STAT-USA data service of business, economic, and trade statistics.

The BEA collates data from government and private sources to produce a comprehensive picture of economic activity, with gross domestic product as the key summary measure. Census is the prime gatherer and purveyor of data on our population and economy collated through surveys, censuses, and special studies. Census is committed to accuracy, timeliness, relevancy, and service. Key strategies to improve the quality and timeliness of our data include the use of state-of-the-art digital capture technology, simplified questionnaires, and faster follow-up of nonrespondents.



INTERNATIONAL TRADE ADMINISTRATION

The major challenges for the International Trade Administration (ITA) are to level the playing field for U.S. businesses abroad and to remove barriers to trade. We are also responding to the Secretary's Broadening Trade Initiative by aiding the efforts of small and medium-sized enterprises to increase their exports.

Internationally, we are conducting an aggressive trade compliance program to help ensure that U.S. companies receive the full benefits of trade agreements, and through the Trade Compliance Center are monitoring approximately 250 trade agreements for possible violations. At home, we are similarly striving to improve the competitiveness of our domestic firms by enforcing U.S. trade laws and agreements regarding subsidies, unfair pricing, and other harmful foreign trade practices.



MINORITY BUSINESS DEVELOPMENT
AGENCY

Minority groups account for 28 percent of the American population but only 11 percent of business owners. It is the central aim of the Minority Business and Development Agency (MBDA) to redress this imbalance by increasing the participation of minorities in our Nation's commerce. Our core strategy is to identify domestic and foreign business opportunities and to help minority-owned businesses take advantage of them. We seek to promote business lending through arrangements with financial institutions and other private and public sector resources, and we are working to secure fair representation for minority-owned businesses in all government-sponsored initiatives that promote U.S. business interests, including international trade missions.



STRATEGIC GOAL 2: STIMULATE INNOVATION FOR AMERICAN COMPETITIVENESS

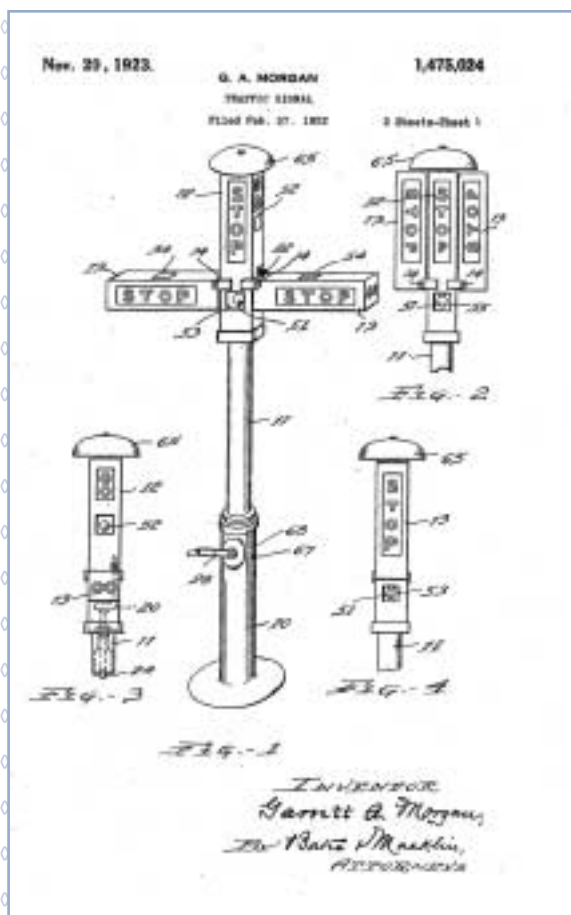
There is a growing consensus among economists that the main driver of economic expansion in the 21st century will be new technology. One of the primary responsibilities of the Department is to nurture and channel technological change, and we are therefore facing a major challenge to ensure that emerging technologies are employed to their best advantage to increase American competitiveness in the global marketplace. The opportunities for the information industries and for electronic commerce are staggering. Departmental bureaus involved in supporting this Strategic Goal include the following:

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

The National Telecommunications and Information Administration (NTIA) is the Executive Branch's principal voice on domestic and international telecommunications and information technology issues. NTIA works to spur innovation, encourage competition, help create jobs and provide consumers with more choices and better quality telecommunications products and services at lower prices. Through its Technology Opportunities Program (prior to January 2000, the Telecommunications and Information Infrastructure Assistance Program)—NTIA is helping to bring the benefits of advanced telecommunications technologies to millions of Americans in rural and underserved urban areas. Another NTIA program provides matching, competitive grants for the hardware that enables public radio and television broadcasters to extend and maintain the reach of their programming and is assisting public telecommunications facilities in converting to digital broadcasting. NTIA also manages the Federal radio spectrum, promoting the efficient use of radio spectrum by Federal agencies, encouraging the development and implementation of emerging telecommunications technologies, and performing telecommunications research, engineering, and planning.



PATENT AND TRADEMARK OFFICE



The Patent and Trademark Office (PTO) plays a central role in America's economic growth by administering the laws that grant and protect patents and trademarks and by advising the Secretary, the President, and the Administration on intellectual property rights. Through our stewardship of the nation's intellectual property rights, we have an influence on investment, development, and marketing strategies, and in turn on the financial viability of American businesses. The fast issue of patents and trademark registrations is critical to firms operating in today's fast-paced markets; we are therefore committed to reducing our average processing time, aided in part by the automation of some of our activities. Related to this automation program, we are also improving our communications processes to promote public awareness of and access to our patent and trademark information. We are additionally establishing a fee schedule that is more appropriately aligned with costs.

The PTO is a self-sustaining agency that generates its own revenues. Similar to private business, we conduct many of our transactions with the public directly and have an obligation to respond to the growing demands of the private sector. Public Law 106-113 established the PTO as a Performance-Based Organization (PBO) subject to the policy direction of the

Secretary of Commerce.

TECHNOLOGY ADMINISTRATION

The Technology Administration (TA) comprises three branches: the Office of Technology Policy (OTP), the National Institute of Standards and Technology (NIST), and the National Technical Information Service (NTIS).

The OTP is charged with advocating and coordinating interagency, state, national, and international efforts to foster a policy environment conducive to innovation and industrial competitiveness. The NTIS compiles and disseminates nonclassified scientific, technical, and engineering information useful to U.S. businesses and government.

NIST is an important part of the U.S. strategy for making investments in long-term economic growth in a rapidly changing, technology-driven global economy. NIST partners with industry to focus on the tasks vital to the country's technology infrastructure that neither industry nor the government can do separately. NIST's Laboratories provide technical leadership for the Nation's measurement and standards infrastructure and assure the availability of needed measurement capability to promote the U.S. economy and public welfare. The Manufacturing Extension Partnership is a grassroots effort to improve the competitiveness of the Nation's smaller manufacturers by offering access to the business and technology information and expertise that allow them to improve their operations. The Baldrige National Quality Program recognizes and promotes performance excellence by U.S. manufacturers, service companies, educational organizations, and healthcare providers. NIST's Advanced Technology Program provides cost-shared awards to industry to develop high-risk, enabling technologies that promise significant commercial pay-offs and widespread benefits for the economy.



STRATEGIC GOAL 3: ADVANCE SUSTAINABLE ECONOMIC DEVELOPMENT

In addition to technology, the natural environment has also been identified as a driver for economic change. Unlike most technological change, however, environmental factors tend to have negative implications for the economy. The late 20th century saw a public awakening to the need to protect nature from the pollution and despoliation of modern society, and it has also become apparent that society must learn to protect itself from nature. Sustainable economic development in the 21st century will require society to balance its relationship with the natural environment: pollution control and conservation strategies must be matched by efforts to reduce the social and economic costs of natural hazards such as floods and hurricanes. The Department of Commerce is uniquely positioned for leadership

"Sustainable economic development in the 21st century will require society to balance its relationship with the natural environment . . ."



in this endeavor. The following bureau is involved in supporting this Strategic Goal:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The National Oceanic and Atmospheric Administration (NOAA) is charged with improving the means for accurate forecasting of natural disasters, to save lives and property and to minimize business disruption. The NOAA oversees programs that expand our knowledge and understanding of land, water, and air; we protect coastal habitats from loss and degradation, research the effects of climate change on the oceans and atmosphere, and promote navigation. We are responsible for improving depleted fish stocks to restore the long-term employment and growth potential of the fishery industry, and are also responsible for conservation programs to recover protected species, to prevent extinction of threatened species, and to maintain the health of other species.

NOAA additionally contributes to the Natural Disaster Reduction initiative by providing weather warnings and forecasts to the general public through the National Weather Service (NWS), conducting climate and weather research, and by making historical and environmental data available to the public and private sectors. Our products and services include short-term warning services and long-range forecasts. The latter use the latest data to produce more accurate forecasts of major climatic events such as El Niño as well as improved decadal and centennial climate change assessments, specifically focusing on greenhouse warming, ozone layer depletion, and air quality.

Additional information about the Department of Commerce's organization, programs, and budget can be found online at <http://www.doc.gov>.